

Exhibit “A”

JUN. 18. 1998 11:13AM P 1  
PHONE NO. : 3027418575

FROM : CATALOG\*RESOURCES\*INC

DOUG VAN SANT, FACILITIES MANAGER  
87 COMMERCE WAY, DOVER, DE 19904  
OFFICE TELEPHONE: 302-741-8502  
C.R.I. FAX: 302-678-9200**CATALOG  
RESOURCES, INC.****Fax**

To: **GREG MOORE / BM20R** From: **DOUG VAN SANT**

Fax: **734-7985** Pages: [Click here and type # of pages]

Phone: **N/A** Date: **June 18, 1998**

Re: **EXPANSION SKETCHES** CC: **N/A**

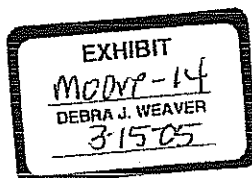
☐ Urgent ☐ For Review ☐ Please Comment ☐ Please Reply ☐ Please Recycle

• Comments: **Greg:**

Here are copies of 2 sketches I prepared for consideration of the proposal to add an extension to our main building's office section...for what they're worth.

Also, I am concerned about parking. We're going to need probably a couple hundred new spaces provided on this site as we will be abandoning the 106 now fully utilized at Bldg. 200, and the 140 at Bldg. 100 (we didn't use all those). I will work up a maximum shift employee number for spaces required, and forward that to you when ready.

Call me anytime for further info. Thanks.

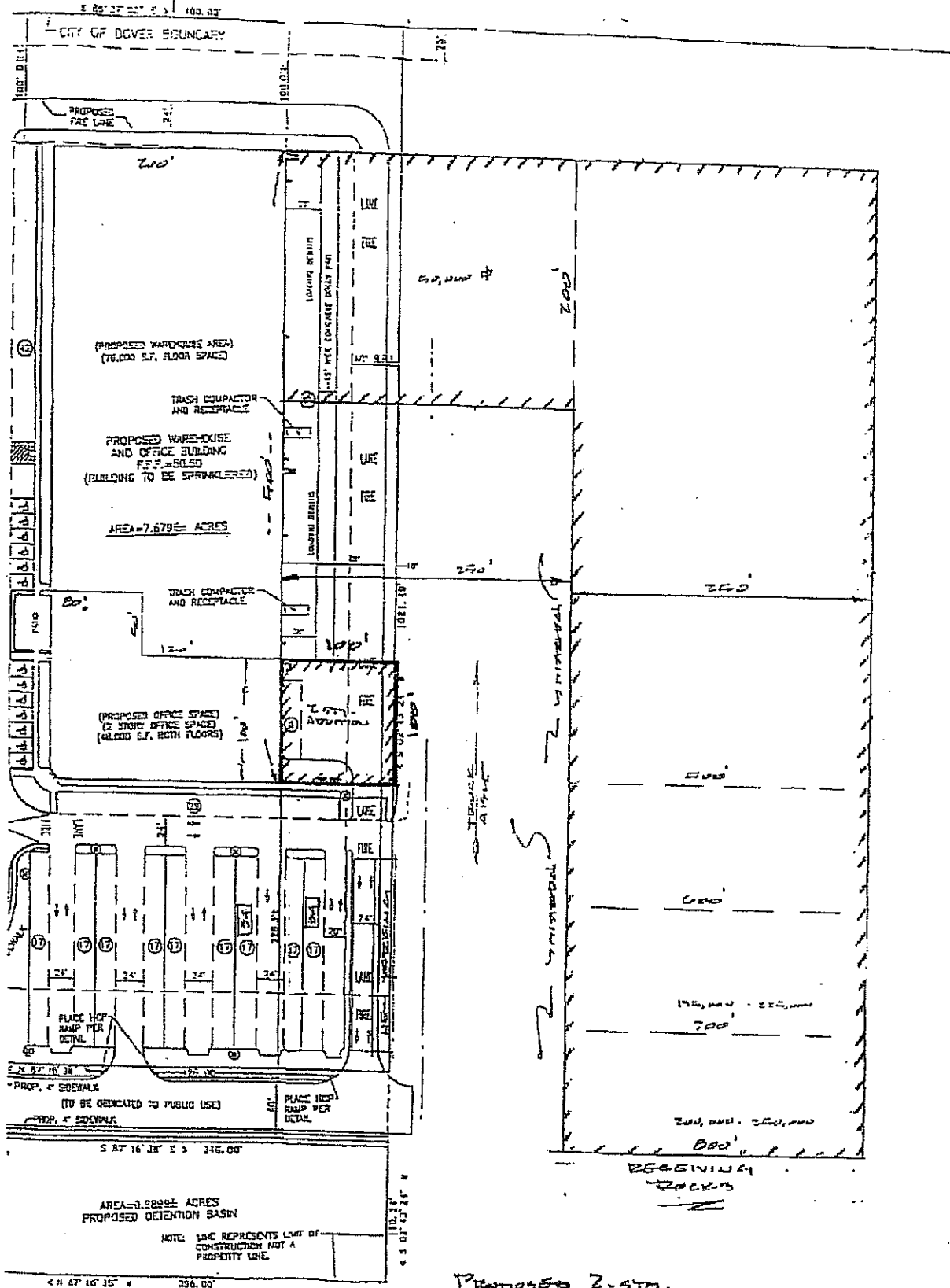
*D. Van Sant*

BMG01777

B1

FROM : CATALOG-RESOURCES-INC

JUN 18 1998 11:14AM P 2  
PLOT NO. : 3027418575

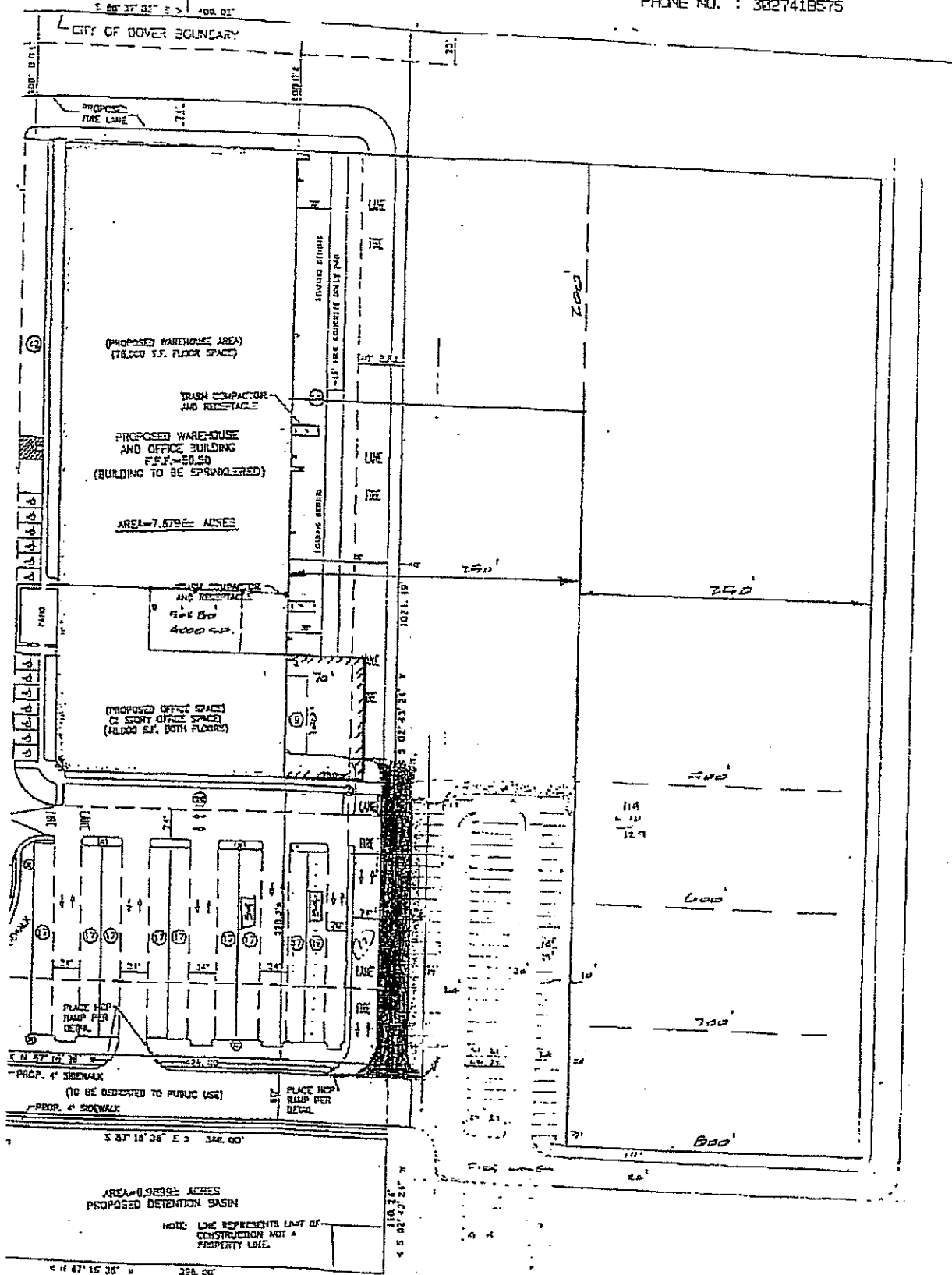


BMG01778

B2

FROM : CATALOG\*RESOURCES\*INC

JUL 18, 1998 11:14AM P 3  
PHONE NO. : 3027418575



PRELIMINARY 1" = 100'

BMG01779

Exhibit “B”

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

-----x  
FEDERAL INSURANCE : CIVIL ACTION  
COMPANY a/s/o :  
EZIBA.COM./AVACET, : NO. 04-339  
INC., EZIBA :  
SECURITIES CORP., :  
Plaintiff(s), :  
v. :

LIGHTHOUSE :  
CONSTRUCTION, INC., :  
BECKER MORGAN GROUP, :  
INC., and O'DONNELL, :  
NACCARATO & :  
MACINTOSH, INC., :  
Defendant(s). :

COPY

-----x  
MILLERS CAPITAL : CIVIL ACTION  
INSURANCE COMPANY :  
a/s/o DEL-HOMES : NO. 04-1322-JJF  
CATALOG GROUP, LLC, :  
Plaintiff(s), :  
v. :

LIGHTHOUSE :  
CONSTRUCTION, INC., :  
BECKER MORGAN GROUP, :  
INC., and O'DONNELL, :  
NACCARATO & :  
MACINTOSH, INC., :  
Defendant(s) :

and :  
LIGHTHOUSE :  
CONSTRUCTION, INC., :  
Defendant and :  
Third-Party :  
Plaintiff, :  
v. :

EAST COAST ERECTORS, :  
INC., :  
Third-Party :  
Defendant. :  
-----x

1 Oral deposition of ROBERT C.  
2 MacLEISH, held at the law offices of  
3 CHRISSINGER & BAUMBERGER, 3 Mill Road,  
4 Suite 301, Wilmington, DE 19806, on  
5 Wednesday, March 16, 2005, beginning at  
6 10:08 a.m., before Debra J. Weaver, a  
7 Federally Approved RPR, CRR, CSR of NJ  
8 (No. XI 01614) and Delaware (No. 138-RPR,  
9 Expiration 1/31/08), and a Notary Public  
10 of New Jersey, Pennsylvania and Delaware.  
11  
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17  
18  
19  
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21

22 ESQUIRE DEPOSITION SERVICES  
23 1880 John F. Kennedy Boulevard  
15th Floor  
Philadelphia, Pennsylvania 19103  
24 (215) 988-9191

ROBERT C. MACLEISH

1 A. Forbes.

2 Q. And who was the contact --  
3 who contacted whom?

4 A. I'm assuming they contacted  
5 Del-Homes, because Jack came to me. A  
6 phone call didn't come to me. Jack  
7 brought the conversation to me.

8 Q. This is Jack Beiser?

9 A. Beiser.

10 Q. And by "they," are we  
11 talking about Client Logic?

12 A. Yes, sir.

13 Q. And do you know, who was the  
14 contact at Client Logic?

15 A. At that time, no, I did not  
16 know.

17 Q. Who did you end up dealing  
18 with?

19 A. A combination of people.  
20 Do you want me to tell you  
21 when we met?

22 Q. Sure.

23 A. In June of '98, I went with  
24 Jack and we met with Tim, I think Doug



ROBERT C. MACLEISH

1 Van Sant, and I think there was one or  
2 two other people. I can't remember. I  
3 think it was Tim and Doug.

4 And they laid out -- you  
5 know, they gave us a drawing that they  
6 had prepared of what they would like to  
7 do and was it feasible to be able to do  
8 that.

9 Q. And was this the first  
10 concept meeting?

11 A. If I remember correctly,  
12 yes.

13 Q. And who is "they," when you  
14 say they gave you a drawing?

15 A. Catalog Resources gave us a  
16 drawing.

17 Q. Is that a drawing that you  
18 have in your files?

19 A. I believe we do.

20 MR. GERBER: Dave, is that a  
21 drawing that's been produced; do  
22 you know?

23 MS. PETRONE: It might have  
24 been entered as an exhibit

ROBERT C. MACLEISH

1 yesterday.

2 MR. BAUMBERGER: Yes. I  
3 think it was.

4 MR. GERBER: Moore-14.

5 BY MR. GERBER:

6 Q. Okay. I'm going to show you  
7 an exhibit that was marked yesterday as  
8 Moore Exhibit 14. It's a fax cover page  
9 with two drawings, or two pages of  
10 drawings that come right behind it. If  
11 you'd take a look at that.

12 A. Yes. That was given to us  
13 at that meeting.

14 Q. This is the drawing that was  
15 given to you at that meeting?

16 A. Yes.

17 Q. They showed you this drawing  
18 and asked you whether -- what did they  
19 ask you?

20 A. They wanted to know if it  
21 was possible that they could get a  
22 building of that configuration.

23 Q. The folks who gave you this  
24 drawing, these were the folks that ran

ROBERT C. MACLEISH

1 Catalog Resources Group?

2 A. I don't know if they -- I  
3 assume that they --

4 Q. They ran the operation there  
5 at Dover?

6 A. I'm assuming that, yes.

7 Q. Were they architects?

8 A. Not that I'm aware of.

9 Q. Were they structural  
10 engineers?

11 A. I don't know.

12 Q. When you say they asked you  
13 whether this could be done, what was  
14 your -- who did they ask that of?

15 A. I guess to Jack and I both.

16 Q. And what did you tell them?

17 A. Not knowing what the site  
18 plan would hold, you know, what the  
19 site -- what kind of restrictions were  
20 there, we'd have to get back to them.  
21 We'd have to get the information to an  
22 engineer, see what we could do.

23 Q. So what did you do?

24 A. Forwarded that drawing to

ROBERT C. MACLEISH

1 Becker Morgan Group to see if, you know,  
2 could you get a building like that on  
3 that site.

4 Q. And had you worked with  
5 Becker Morgan Group before?

6 A. No. That was the first time  
7 that I engaged their services.

8 Q. And how did you determine  
9 that you were going to forward that  
10 drawing to Becker Morgan Group?

11 A. Charlie Rodriguez was Jack's  
12 real estate agent and he had  
13 recommended -- he had met them and he  
14 was -- I don't know if they'd been there  
15 that long, I wasn't that familiar with  
16 them as a firm, and said that they did  
17 real good work. So I called them to get  
18 a proposal.

19 The engineers that Jack had  
20 used on his other jobs were kind of slow  
21 in responding, you know, getting site  
22 plans through and things. So Jack and I  
23 spoke about getting another proposal from  
24 a different firm.

ROBERT C. MACLEISH

1 Q. Did Jack Beiser tell you to  
2 call Becker Morgan or did you determine  
3 that on your own?

4 A. Well, I got the  
5 recommendation from Charlie, forwarded it  
6 to Jack, and Jack agreed with Charlie's  
7 recommendation.

8 Q. Did you have a name at  
9 Becker Morgan who was going to be your  
10 contact person?

11 A. Yes. Charlie gave us Greg  
12 Moore.

13 Q. And did you call Greg Moore,  
14 then?

15 A. Yes.

16 Q. And "then" being? This was  
17 what time frame now, roughly?

18 A. It was probably fairly  
19 quickly. You know, probably -- it wasn't  
20 long. I mean, I can't even remember.

21 Q. Summer '98?

22 A. Oh, you mean as far as  
23 contacting Greg?

24 Q. Yes.

ROBERT C. MACLEISH

1           A.       Yes, it was definitely in  
2 the summer of '98. Spring of '98,  
3 probably.

4           Q.       Had you met Greg before?

5           A.       Not -- that was the first  
6 time I had met him.

7                   Later on we found out I went  
8 to high school with his sister. So we  
9 probably had met prior to that. And my  
10 sister, I think, was in his class or  
11 something like that.

12          Q.       What was Becker Morgan's  
13 role in this project?

14          A.       Their initial role, they  
15 started out as the civil engineers. And  
16 then they came in to be the architects  
17 for the project.

18          Q.       Okay. So their role  
19 expanded from civil engineer?

20          A.       Yes, it did.

21          Q.       Did they become the  
22 architect of record for the project?

23          A.       That was my recollection,  
24 yes.



ROBERT C. MACLEISH

1 Q. All right. You were in the  
2 room yesterday --

3 A. Yes.

4 Q. -- during the testimony of  
5 both Mr. Moore and Mr. Ernie Olds,  
6 correct?

7 A. Yes, sir.

8 Q. The transcripts will speak  
9 for themselves, but my recollection is  
10 that they both said that Becker Morgan  
11 had a more limited role of being -- their  
12 drawings were for permit purposes.

13 Do you recall that?

14 A. Yes, I do.

15 Q. You have a different --

16 A. I don't know that it's  
17 different. I guess it's how you define,  
18 what is a permit.

19 When we engaged -- as we  
20 started out, like you said, there was  
21 a -- Client Logic/Catalog Resources, it  
22 was kind of transitioning at that point,  
23 provided drawings and sketches. We're  
24 not architects. We're not engineers. I

ROBERT C. MACLEISH

1 can't do that kind of work.

2           They're asking space  
3 planning questions, issues like that.  
4 You can give them a footprint of what is  
5 the maximum size building you can put on  
6 this lot, from a land use perspective.  
7 That's the first thing we needed to  
8 determine was, could you even put a  
9 building of that size on that lot. Jack  
10 was always looking at maximizing his  
11 building space to return his capital on  
12 his dollars for his land. So that was  
13 the first determination.

14           Once that was determined,  
15 then that sketch, there was a meeting  
16 held in September, when you figure out  
17 there's a lot of issues with -- because  
18 of the shopping center. Jack,  
19 fortunately, owned both properties,  
20 that's what Greg was explaining, there  
21 were conflicts with different things. As  
22 research was conducted and boundary lines  
23 were established, the location of the  
24 building kind of shifted with



ROBERT C. MACLEISH

1 different -- you know, in and out, we set  
2 an offset of five feet.

3           Once we got a pretty good,  
4 okay, this is what we think is the  
5 footprint that we could put into here,  
6 that's when Client Logic/Catalog  
7 Resources came up with, here's a layout  
8 of what we would like to see in there,  
9 here's where we would like our shipping  
10 and receiving, some things like that,  
11 because it differed somewhat from what  
12 that print is that you just showed me.

13           In September we had Becker  
14 Morgan, Ernie, meet with the Client  
15 Logic/Catalog Resources people to take  
16 that print that they had given us and  
17 develop a plan, you know, a sketch, a  
18 schematic drawing, just to see, is this  
19 kind of what you're looking for. It  
20 probably took him about a month, maybe a  
21 little more than that, as I remember.

22           We turned that drawing over  
23 to Catalog Resources/Client Logic and  
24 then they reviewed it. There was another

ROBERT C. MACLEISH

1 meeting held in November where it was  
2 finalized, you know, as far as, here's a  
3 floor plan, a building plan that we're  
4 looking at. And it was, basically, just  
5 a grid pattern, setting up tentative  
6 schematic plans.

7 At that time, we had  
8 consulted and worked with Mike Williams  
9 of East Coast Erectors about the type of  
10 building to use. He had recommended -- I  
11 remember when I was working with Walker,  
12 on the original building, you know, we  
13 can do structural steel and probably  
14 deliver quicker and be very cost  
15 competitive. So that was one of --  
16 called Mike, again, from working with him  
17 in the past.

18 I always found Mike to be  
19 very knowledgeable and very helpful. Did  
20 a lot of buildings like that. So we kind  
21 of set up, and that's how we kind of came  
22 up -- working with the architect,  
23 everybody kind of worked to that point.  
24 We were still going through the site plan

ROBERT C. MACLEISH

1 approval process, but still moving  
2 forward trying to define, working --  
3 Catalog and Client, that's when they were  
4 changing their name from Catalog to  
5 Client Logic. They were being bought out  
6 by a bigger company.

7 I think Jerry King, who was  
8 one of the principal owners, or  
9 principals of Catalog Resources, was  
10 involved initially. When this took  
11 place, he became removed. And I can  
12 never remember what that transition was  
13 from that relationship.

14 So those drawings tended to  
15 change. And it was starting, stopping.  
16 I think in November, Jack -- I was  
17 involved in it, and the lease  
18 negotiations at that point, got a  
19 commitment from Tim Sylvester from Client  
20 Logic that they were going to proceed  
21 with the project, and started preparing  
22 the lease agreements and stuff like that  
23 to get them signed, which, then, that --  
24 we started putting together schedules, as

ROBERT C. MACLEISH

1 far as when did they want to occupy the  
2 building, what kind of a construction  
3 schedule; like I said, bringing to  
4 conclusion the actual site plan approval  
5 of that site.

6 In February, we took those  
7 drawings and put out a bid package to  
8 three steel contractors. We used Becker  
9 Morgan as the footprint, put a scope of  
10 work together, and supplied that to three  
11 different steel companies, and received  
12 those bids back. That was probably our  
13 first package to work with.

14 Once we got those bids back,  
15 then we made an award to East Coast  
16 Erectors and had them commence on their  
17 drawings to start that work. They were  
18 responsible for the design and  
19 construction, the foundations of all the  
20 structural steel package, foundations and  
21 coordination.

22 And then from that point, it  
23 just kind of kept moving forward. There  
24 was always an interaction between the

ROBERT C. MACLEISH

1 different, I'll call them major  
2 subcontractors on each of the phases of  
3 it, from East Coast to the roofer, which  
4 was Quality, the foundation contractor,  
5 he was a major sub, but he really  
6 followed the drawings given to us by East  
7 Coast.

8 But we had the roofer,  
9 mechanical. We had a plumbing  
10 contractor, Ralph Degliobesi. We had an  
11 HVAC contractor, Polar, sprinkler  
12 contractor, Grinnell. Electrical was  
13 H&A. And the site work contractor, which  
14 was a major, but those drawings were all  
15 completed by Becker Morgan, was Cahall,  
16 Ralph Cahall & Son.

17 Q. Was there ever another  
18 architect of record, other than Becker  
19 Morgan?

20 A. On the 1999 building?

21 Q. Correct.

22 A. No.

23 Q. With respect to Catalog  
24 Resources Group, which evolved into

---

Exhibit "C"



EAST  
COAST  
ERECTORS  
INC.

## PROPOSAL

February 23, 1999

Mr. Robert MacLeish  
Del-Homes, Inc.  
1575 McKee Rd., Suite 202  
Dover, DE 19904

Re: Catalog Resources Building Expansion  
Enterprise Business Park  
Dover, DE

Dear Bob,

We are pleased to provide our price to design, supply and install the following material for a single story building 250,000 Sq. Ft. per your drawing A2.1 and specifications dated February 8, 1999.

Structural Steel: 338 Tons Including: Columns with masonry anchors, beams, girts, perimeter angle, or bent plate, teflon slide plates at (3) expansion joints, erection bolts and standard shop coat primer. Also included is all necessary framing for the required mezzanine and (2) cantilever type canopies at the shipping/receiving office.

Supplied only will be anchor bolts, leveling plates, and anchor bolts at the top of the 12'-0" masonry walls.

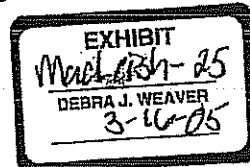
Steel Joist: 247 Tons Including: "K" Series Type joist complete with all top and bottom chord extensions, "X" type and Horizontal type bridging, shop coat (Gray) primer.

Metal Decking: 2,500 Squares of 1 1/2" Type "B", 22 Gage painted gray roof deck. Also included is 20 Squares of 1 1/2" 20 Gage Galvanized composite floor deck. Also included are all required pour stops, cell closures and side lap screws.

FABRICATING  
ERECTING  
WELDING  
STRUCTURAL AND  
MISCELLANEOUS  
STEEL

P.O. BOX 448  
NEW CASTLE,  
DELAWARE 19720

302/323-1800



LH 01441



Pg. 2 of 3

Miscellaneous Metals:

- 65- Roof Frames 4' x 8' for Skylight/Smoke Vents
- 2- Roof Frames for Roof Hatches
- 1- Roof Access Ladder with cage @ Q-11 Bathroom
- 1- Roof Access Ladder without cage @ Mezzanine
- 18- Lintel Beams W/Plates for 10' Wide Over Head Doors
- 2- Lintel Beams W/Plates for 8' Wide Over Head Doors
- 4- Lintel Beams W/Plates for 6' Windows @ Mezzanine
- 12- Dock Leveler Frames
- 1- Metal pan stair at Mezzanine
- 3- 2 Line pipe handrails with wall rails @ "L" shaped loading dock stairs.
- 2- 2 Line pipe handrails @ straight loading dock stairs

Metal Siding:

- All required 3' wide exposed fastener 26 gage siding by Nucor with standard color and finish.
- All required 3" fiberglass PSK backed insulation
- All required base, corner, window, louver and gable flashing
- All required wall "Z" type girts designed at L/240 and 80 MPH wind load.
- All required framing for 10 louver and 4 window openings

Notes:

- Masonry Block size is assumed 8"
- Live load is reduced per BOCA
- Design includes concrete foundations
- Lintels are supplied only

PRICE:        \$1,039,000.00

LH 01442



Pg. 3 of 3

Options:

1. Dock Leveler Frame Ea. Add: 400.00
2. Pure White Primer on underside of Deck Add: 23,000.00
3. Supply and install all 4" metal studs required for Parapet walls at the following locations Add: 49,000.00
  1. Line 6 Between E and Q
  2. Line E Between 1 and 6
  3. Line Q Between 6 and 11
  4. Line 6 Between A and E
  5. Line 1 Between A and E
4. Allowance For reinforcing 200LF of existing Bar Joist and adding 4 Roof Drain Frames Add: \$4,160.00

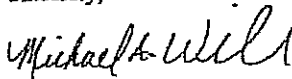
2 Men 3 Days 48 Hrs. x \$45 = \$2,160.00  
Material 1,000.00  
High Reach 1,000.00  
\$4,160.00

Exclusions:

- |  |                         |
|--|-------------------------|
| -Leader Heads                            | -Field Touch Up         |
| -Gutters                                 | -Surveying              |
| -Down Spouts                             | -Shoring                |
| -Light Gage Metal Studs                  | -Galvanizing            |
| -Copings, Eave Trim or Gravel Stops      | -White Primer on Joists |
| -Plywood Sheathing and Wood Blocking     | -Testing & Inspections  |
| -Grouting                                | -Building Permits       |
| -Joist reinforcing at concentrated Loads |                         |

Thank you for the opportunity to present this proposal. If you have any questions do not hesitate to call.

Sincerely,



Michael A. Williams  
MAW/pzp

If this proposal meets with your approval please sign and return one copy.

Accepted By: Del-Homes, Inc.

Name

Date

LH 01443

## PROPOSED PROJECT SCHEDULE

Catalog Resources Expansion  
Enterprise Business Park  
Dover, DE

February 23, 1999

	Start	Complete
Design for Foundation and Structure	3/1	3/12
Fabrication of Steel	3/12	4/30
Erection of Steel	5/3	6/15
Erection of Siding	5/24	7/7
Miscellaneous Metals	6/14	6/30

Note: Schedule based upon award being made on Friday 2/26/99.

LH 01444

B23



630 W. Division St. • Suite 202 • Dover, DE 19904 • 302-677-1955/Office • 302-677-1959/Fax  
Professional Builder • Land Development • Residential Construction • Light Commercial

February 26, 1999

Mike Williams  
East Coast Erectors Inc.  
1144 River Road  
New Castle, DE 19720

RE: Catalog Resources – Enterprise Business Park  
Dover, DE

Dear Mr. Williams:

By way of this letter, it is the intent of Lighthouse Construction, Inc. to award the following work to your company:

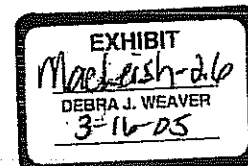
1.	Base Bid:	\$1,039,000.00
2.	Alt. No. 1 – Two (2) additional dock leveler frame	\$ 800.00
3.	Alt. No. 2 – White primer on underside of dock	\$ 23,000.00
4.	Alt. No. 3 – F & I Metal Studs	\$ 49,000.00
5.	Alt. No. 4 – Reinforce existing 200 LF of roof	\$ 4,160.00
TOTAL		\$1,115,960.00

We will be forwarding a contract (AIA A401) for your review and execution. The contract will include the IFB, ECE Quote, and minutes from meeting on February 25, 1999.

If you have any questions, please do not hesitate to give me a call.

Sincerely,

Michael McKone



LH 01445

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Exhibit “D”

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

FEDERAL INSURANCE  
COMPANY a/s/o

EZIBA.COM./AVACET,  
INC., EZIBA

SECURITIES CORP.,  
Plaintiff(s),  
v.

CIVIL ACTION

NO. 04-339

COPY

LIGHTHOUSE  
CONSTRUCTION, INC.,  
BECKER MORGAN GROUP,  
INC., and O'DONNELL,  
NACCARATO &  
MACINTOSH, INC.,  
Defendant(s).

MILLERS CAPITAL  
INSURANCE COMPANY  
a/s/o DEL-HOMES  
CATALOG GROUP, LLC,  
Plaintiff(s),  
v.

CIVIL ACTION

NO. 04-1322-JJF

LIGHTHOUSE  
CONSTRUCTION, INC.,  
BECKER MORGAN GROUP,  
INC., and O'DONNELL,  
NACCARATO &  
MACINTOSH, INC.,  
Defendant(s)

and  
LIGHTHOUSE  
CONSTRUCTION, INC.,  
Defendant and  
Third-Party  
Plaintiff,  
v.

EAST COAST ERECTORS,  
INC.,  
Third-Party  
Defendant.

1 Oral deposition of ROBERT C.  
2 MacLEISH, held at the law offices of  
3 CHRISSINGER & BAUMBERGER, 3 Mill Road,  
4 Suite 301, Wilmington, DE 19806, on  
5 Wednesday, March 16, 2005, beginning at  
6 10:08 a.m., before Debra J. Weaver, a  
7 Federally Approved RPR, CRR, CSR of NJ  
8 (No. XI 01614) and Delaware (No. 138-RPR,  
9 Expiration 1/31/08), and a Notary Public  
10 of New Jersey, Pennsylvania and Delaware.  
11  
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21

22 ESQUIRE DEPOSITION SERVICES  
23 1880 John F. Kennedy Boulevard  
15th Floor  
Philadelphia, Pennsylvania 19103  
24 (215) 988-9191

ROBERT C. MACLEISH

1 previously Bates stamped LH 04745.

2 And each of these drawings  
3 were referred to by Mr. MacLeish  
4 in his testimony.

5 BY MR. PINGITORE:

6 Q. Is that correct, Mr.  
7 MacLeish?

8 A. Yes, sir.

9 Q. Mr. MacLeish, I'm going to  
10 show you a few more documents for  
11 identification.

12 First is a four-page  
13 document previously Bates stamped LH  
14 01441 through LH 01444, and I ask if you  
15 could please identify the document for  
16 the record.

17 MR. HILL: What number is  
18 that?

19 MR. PINGITORE: I'm going to  
20 give you a copy. I'm going to try  
21 and get these documents  
22 identified, so you can follow me.

23 BY MR. PINGITORE:

24 Q. Do you recognize this

ROBERT C. MACLEISH

document, Mr. MacLeish?

A. Yes, sir.

Q. Can you identify the document for us?

A. Yes, sir. It's a proposal from East Coast Erectors dated February 23rd, 1999.

Q. And is this for the 1999 building?

A. Yes, sir.

Q. This would be in response to your solicitation for bids?

A. Yes, sir.

Q. In the first paragraph, the writer indicates that the price is "per your drawing A2.1 and specifications dated February 8, 1999." Do you see that?

A. Yes.

Q. Were those the documents that you provided to prospective bidders?

A. Yes.

Q. Did you provide any documents beyond the A2.1 specifications



ROBERT C. MACLEISH

1 and February 8, 1999, specifications?

2 A. No, sir.

3 Q. And it was subsequent to  
4 this February 23, 1999, proposal that  
5 East Coast requested you furnish them  
6 with the Varco-Pruden plans for the 1995  
7 building?

8 A. Ask that again.

9 Q. Was it subsequent to this  
10 proposal dated February 23, 1999, that  
11 East Coast asked you to furnish them with  
12 a copy of the Varco-Pruden plans for the  
13 1995 building?

14 A. You mean after that date,  
15 had they requested those drawings; is  
16 that correct?

17 Q. Yes.

18 A. Yes.

19 Q. I just want to make sure I  
20 follow the timeline.

21 And if you turn to page  
22 three of the document, please, LH 01443  
23 is the Bates stamp number.

24 A. Yes.

ROBERT C. MACLEISH

Q. I see there is a \$4,160 option for reinforcing bar joists. Do you see that?

A. Yes.

Q. To your understanding, is that the option to reinforce the 1995 building?

A. Yes.

Q. And to your understanding, at the time this proposal was submitted, East Coast had its -- had -- strike that.

At the time this proposal was generated, on February 23, 1999, is it your understanding that East Coast only had the A2.1 drawing and your specifications dated 2/8/99?

A. Yes.

Q. Did East Coast, at any time, explain to you how they arrived at the \$4,160 to reinforce the existing bar joists?

A. No.

MR. PINGITORE: If we could please mark this as the next

ROBERT C. MACLEISH

1 exhibit.

2 (Whereupon, Deposition  
3 Exhibit No. MacLeish-25, Letter  
4 dated 2/23/99 to Robert MacLeish  
5 from Mike Williams, Bates LH  
6 01441-01444, was marked for  
7 identification.)

8 BY MR. PINGITORE:

9 Q. But we at least know that it  
10 was after this proposal that East Coast  
11 asked for structural details on the 1995  
12 building, correct?

13 A. Yes.

14 Q. I'm going to show you  
15 another document, a single-page document  
16 previously Bates stamped LH 01445.

17 Can you identify that  
18 document for us?

19 A. Yes, sir. It's a letter  
20 dated February 26th, 1999. It's on  
21 letterhead from Lighthouse Construction  
22 and it's addressed to Mike Williams from  
23 East Coast Erectors.

24 Q. And do you recognize Mr.

ROBERT C. MACLEISH

McKone's signature below?

A. Yes, sir.

Q. Okay. Would this document indicate Lighthouse's acceptance of East Coast's proposal to design and construct the 1999 building?

A. Yes.

Q. And you accepted the \$4,160 option to reinforce the existing roof, correct?

A. Yes, sir.

Q. And we're still at a point in time when East Coast does not yet have the structural drawings for the 1995 building, correct?

A. They do not have them in their possession, no.

Q. Did they have the benefit of a site visit at this time?

A. Yes. Everybody did.

Q. Had they already visited the 1995 building at this time?

A. I don't know if they did or did not. We didn't ask that.

Exhibit "E"

## C. N. Timbie Engineers, Inc.

P.O. Box 158  
47 South Lansdowne Avenue  
Lansdowne, PA 19050-0158  
Tel: (610) 626-0600  
Fax: (610) 622-4296  
ChasTimbie@aol.com

July 8, 2005

Mr. Ron L. Pingitore, Esquire  
White and Williams LLP  
1800 One Liberty Place  
1650 Market Street  
Philadelphia, PA 19103-7395

Re: Del-Homes Catalog Group, LLC  
97 Enterprise Place, Dover, Kent County, DE  
DOL 2/17/03  
CNT File 03016

Dear Mr. Pingitore:

On Thursday, February 20, 2003 and on subsequent occasions I examined the collapsed building at the above referenced location at the request of Bill Schmidt of your office on behalf of the property insurer, Miller's Mutual, to determine the cause of damage. I have also reviewed architectural and structural drawings for the building and for an adjacent addition and have read the transcripts of the depositions of Robert MacIntosh, Joseph Anastasi, Robert MacLeish, Michael Williams, Earnest Olds and Gregory Moore, with exhibits. I have reviewed erection drawings prepared by Varco Pruden and drawings by A. F. Manns, architect for the 1995 building as well as drawings for the 1999 addition by Becker Morgan Moore Olds & Richter, architects and O'Donnell Naccarato & MacIntosh, engineers. I have examined photographs taken by Thomas Destafney and reviewed the file from SMI Joists. I have referred to engineering manuals such as BOCA 96, ANSI A7 95 and the AISC steel construction manual. This report outlines my findings to date.

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1. Description of the Building

The building was constructed in the West Dover Industrial Area in 1995 for Catalog Resources Group/Clientlogic, a mail order catalog company. The front of the building is a two story 48,000 square foot office. The remainder of the building is a 76,000 square foot warehouse used for product storage. The building was a pre-engineered metal building designed by Varco Pruden. Pre-engineered buildings are purchased with the understanding that the structural design, fabrication and delivery of the steel building to the site is part of the purchase contract. The architect for the building was A. F. Manns Associates of Wilmington, DE. The pre-engineered metal building was provided by J.W. Walker & Sons who subcontracted the erection to East Coast Erectors.

The roof was constructed with steel roof joists designed by SMI Joists with a 1-1/2 inch corrugated metal deck, 2 inch loose laid foam insulation boards, an EPDM rubber membrane and stone ballast. The joists were bearing on tapered steel rafters supported by exterior tapered columns and interior three-plate columns. The upper office floor was constructed with steel floor joists, corrugated steel form and a 3 inch concrete slab.

The roof of the building sloped at a pitch of 1/4" per foot toward the east. The intent of the owner was to connect this building to an existing building located just west of the new building by constructing a future linking building between the two. As Catalogue Resources grew, Del-Homes was asked to construct a larger addition to the building on the east side of the existing structure rather than on the west side.

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2. Addition to the Building in 1999

The addition to the Catalog Resources building was larger and taller than the original building. It was constructed by Lighthouse Construction. Lighthouse engaged East Coast Erectors to provide the design, materials and erection of the structure. The building was designed by Becker Morgan Moore Olds and Richter, architects, and O'Donnell Naccarato & Macintosh, Wilmington, DE, structural engineers. This building was constructed with conventional framing of open web steel roof joists and hot rolled continuous steel girders. It survived the snow storm with minimal damage.

The new addition was constructed along the low side of the roof slope of the 1995 building and was taller than that building effecting the older building in two respects, each of which had to be addressed by the designers of the adjacent new addition.

Firstly, the roof of the new building was higher than the older building resulting in a 200 foot long offset wall between the two buildings varying in height from 3 feet at the north end to 5 feet at the south end. This created a configuration where snow could scour from the higher roof and be deposited as a snow drift on the lower roof. Roof drifting can be accommodated by building a lower drift bay in the new building to place the drift in the new structure where the designer has control of the new roof construction. Alternatively, the edge of the new roof could slope in the profile of a drift lessening the snow loading on the existing roof. The third more common option is to analyze the existing lower building and strengthen all structural components where necessary to comply with the current code.

Secondly, the roof of the 1995 building slopes toward the new building. Internal roof drains were required to evacuate the roof rain water which was directed

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toward the higher building. Roof drains were installed along the roof offset to collect the water into a 10 inch diameter PVC drain pipe which was suspended from the first joist from the offset wall and from trapeze at the drains, discharging the water into a storm drain at the rear (north end) of the building [Photo 134-141]. The drains were located about 2 feet from the east edge of the roof placing them under the deepest part of the code predicted snow drift.

3. Survey of the 1995 Building in 1999

The structural engineering consulting firm, O'Donnell, Naccarato & MacIntosh, which designed the new addition accepted the responsibility to review and strengthen the original 1995 building. The 1996 BOAC code states:

**1614.2 Additions:** The addition to an existing structure shall not increase the force in any structural element of the existing element by more than 5 percent, unless the increased forces on the element are still in compliance with this code for new structures. The addition shall not decrease the strength of any existing structural element of the existing structure to less than that required by this code for new structures.

When designing structural modifications to a commercial building of this size it is good engineering practice to survey the structure before performing the analysis. It is not unusual for structural modifications and structural damage to occur which should be surveyed. Build owners and tenants may install equipment over the years making the structures heavier as time passes.

O'Donnell, Naccarato & MacIntosh obtained Varco erection drawings and calculations from East Coast to work from in performing the structural analysis. No

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one from O'Donnell, Naccarato & MacIntosh actually went to the building to survey. They relied on the drawings and a verification that the drawings were "as built" from the steel erector, East Coast. Had a qualified structural engineer inspected the building, Varco drawings in hand, they would have or should have discovered the following:

1. The continuous tapered roof rafters are more 4 feet deep with flanges only 6 inches wide and  $\frac{3}{8}$  inch thick over the interior columns. These slender beams require bracing at the columns to prevent roll of the rafter. Under load a hinge forms at the top of the column causing the column to drift laterally allowing the rafter to roll and collapse. Properly located stiffeners with a moment connection between the column and beam could be used in some instances. In this building, the bearing stiffeners did not align with the column flanges or column web below the beam flange rendering the beam to column connection as a normal pinned connection. The column to beam connection was a hinge requiring lateral bracing. The bottom flange of a continuous rafter is in compression over the columns. Compression flanges attempt to shed loading by buckling laterally. The column offers no resistance to this lateral buckling and would drift laterally with the beam flange. To prevent roll of the rafter and to decrease the unbraced length of the compression flange, lateral flange braces are required at the columns. The Varco drawings show a cluster of 6 bottom flange braces at each interior column. They were to be located on each side of the rafter at each interior column and on each side of the rafter 5 feet from the column. The two braces at the column, the most critical, were not installed. Omission of the braces at the columns made the rafter vulnerable to compression flange buckling and roll of the rafters over the columns. There was no

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ceiling in the building and this defect would be evident, especially when comparing the existing structure with the Varco drawings.

2. The roofing on the building was a ballasted EPDM membrane over loose laid insulation on metal decking. The ballast provides 10 pounds per square foot of weight to hold the membrane in place resisting wind uplift. This additional weight was not considered in the O'Donnell, Naccarato & MacIntosh review of the building because they had no knowledge of its existence in 1999. There is a roof hatch leading to the roof and the type of roof system on the building would easily have been determine during a field survey.
3. The roof framing drawing do not indicate a joist size. A field survey would have been helpful. Every joist on the roof has a metal tag with the manufacturer's name (SMI Joists Co. Inc.), the project number (D51998-2), and the joist mark (eg K8). The actual size could be obtained from the joist manufacture with this information.

4. Review of the Existing Roof Joists

The roof was framed with open web steel joists placed generally on 5 foot centers spanning 50 feet between rafters. Steel joist sizes are designated with three terms such as 30K10. The first term, 30, indicates the depth of the joist, 30 inches. The second, K, indicate which joists specification applies to this joist for determining such aspects as bearing details, materials used and bridging requirements. The last term refers to the structural performance of the top and bottom chords. The Steel Joist Institute publishes standard joist tables

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indicating the strength of standard joist size designations.

My own review indicated that the joists used in the 1995 building had a strength between a 30K8 and 30K9 joist designation. In reviewing the roof it would be appropriate to use the lower rated 30K8 or to obtain the size from the manufacturer.

The joist manufacturer for this building does not limit their joists to the discrete standard designations. They manufacture joists custom to each roof project. The joists on this project were, in fact, of a strength between a 30K8 and 30K9 with a design total load of 228 pounds per linear foot (plf) and design live load of 150 plf. The design loads would therefore be 30 psf live load and 15.6 psf dead load. Joists over the office area were designed for higher snow drift loading behind the south wall parapet where a ground snow load of 25 PSF was used.

5. Snow Drifting on the Low Roof

When a high roof is built next to a lower roof consideration should be given to a snow event where snow is scoured off of the higher roof and falls into an area of aerodynamic shade along the leeward side of the offset in the roof. The size of the resulting drift depends on the geographical location of the building, the surrounding resistance to wind, the height of the roof offset and the reach for scour on the higher roof.

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Analysis of the drift at the offset created by the 1999 building was performed using the 1996 BOCA code. The factors used were as follows:

$p_g = 20$ psf	Ground snow load
$h_r = 5.0$ ft	Roof offset
$W_b = 500$ ft	Length of reach of upper roof
$I = 1.0$	Importance of structure
$C_s = .7$	Exposure to wind

The results is a design snow depth on the low roof at the offset equal to the offset wall height with a weight of 83 psf. The design drift slopes down to the uniform snow depth of .84 feet on the flat roof portion of the roof about 16.6 feet from the offset wall. This drift represents the minimum code design load. Considering the factor of safety one would expect collapse of a properly designed roof at about 1.5 times the design load or for 18 psf dead load, 10 psf stone ballast and 83 psf drift load the expected collapse load would be about 167 psf at the high point of the drift.

#### 6. Strengthening of the 1995 Building

After their review of the existing building O'Donnell, Naccarato & MacIntosh recommended installation of a cold rolled 8 inch deep, 12 gage zee purlins between the existing columns about one foot from the existing eave purlin [shown red in Photo 133]. This was apparently an arbitrary decision as the one page calculation does not reach a conclusion that this purlin is required.

The new steel was to be supported by steel angles at each end. This new purlin was intended to help support the eave purlin. The joists were thought to be adequate with no additional support. The O'Donnell, Naccarato & MacIntosh sketch attached  
 as

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Exhibit 7 indicates the recommended stiffening of the roof for snow drifting.

The repair sketch was not signed or sealed. It was not included in the permit set of drawings and did not have the benefit of a review by the local code official or building inspector.

7. Roof Drainage Modifications

Constructing the new building east of the 1995 building created a condition where the roof of the old building sloped toward the new building. The gutter system would have to be replaced by an interior drain system. New drains were installed about two feet off of the offset wall. The roof water from those drains was collected into a 10 inch diameter PVC drain pipe which was suspended below the roof. The main pipe was suspended from the first joist from the offset wall with clevice hangers [Photo 137]. The drain leaders were suspended from unistrut trapeze hangers which were attached to the first joist and to the bottom flange of the added zee purlins [Photo 138].

The added drains had two structural implications. Firstly, the weight of a filled 10 inch pipe is about 36 plf. This would reduce the capacity of the joist from which it is suspended by 36 plf. Secondly, the drains were buried in the deepest part of any snow drift deposited at the offset wall. Roof water flowing across the 200 foot roof could encounter a significant snow drift before reaching the drains. This could result in ponding at or under the drift. There is no evidence that either consequence was addressed in the 1999 repair recommendation.

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8. Cause of the Collapse

On February 17, 2003, at about 6:35 am, the building collapsed. On that date snow was falling with a northeasterly wind. The wind scoured snow off of the high roof reaching to the far northeast corner, depositing snow as a drift onto the lower roof according to meteorologist Dr. Lowell Krawitz, our weather consultant. The drift would have been maximum height along the highest end of the roof offset with a maximum weight of the snow estimated to be 67.7 psf. The drift would extend approximately 17 feet from the offset wall.

Using the BOCA defined drift design the minimum design load for a drift at that location is 83 psf extending 16.6 feet from the offset wall to meet the uniform accumulation of snow on the roof. That uniform design snow depth is .84 feet, about 10 inches deep weighing 14 psf. Under the weight of this drift the total dead load and snow load at the first joist line would be 397 plf. The total load on the second joist line would be 353 plf. This loading exceeds the allowable loading on the as-built joist (228 plf) as well as the higher rated 30K9 (245 plf) and 30K10 (291 plf). It is evident that the roof joists were severely overloaded under the weight of this drift.

The weakest component of this area of roof framing is the connection of the wind strut to the wind column [e.g. Photo 48, 98]. This strut was welded to the center of four joists and bolted to the wind column using four 1/2 inch diameter bolts. The wind struts and wind columns were not designed for gravity loads as is evident from the Varco calculations. With the snow accumulating on the roof this connection would have failed in shear. Photos 29 and 34 indicate how little resistance the connection gave to gravity loads as the roof

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has collapsed but the wind columns remain standing. Photos 53 and 54 show no distortion of the connection plate at the end of a wind strut along the offset wall.

With the failure of the wind strut connection the joists lose any support at mid span that the wind strut may have provided. As snow accumulated the joists at the five foot roof offset were overloaded and deflected at mid-span similar to that shown in Photo 110. The most traumatically disturbed area of the roof was at the five foot offset where the roof was torn open [Photo 48 to 57]. The added zee purlin provided little support of the roof. The wall was unintentionally providing support to the edge of the roof, not the added purlin.

With the roof failure along the offset, collapse worked progressively across the building, weakened by missing compression flange bracing, as lateral movements and stresses radiated from the first collapse by structural members and bracing rods which were laced through the roof structure. The office roof survived as it was unintentionally supported by the demising wall between the warehouse and office. The roof joists along the south parapet had been designed for a higher drift load and these joists survived the storm. Additionally, the interior columns in the office area were laterally braced by the mezzanine floor providing resistance to lateral buckling and roll of the rafter.

#### 9. Conclusions

The building collapsed under the burden of drifting snow along the roof offset. When the 1999 building was designed O'Donnell, Naccarato & MacIntosh was charged with and accepted the

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responsibility to review the existing building and provide the design for drifting snow on that building resulting in the construction of the new building. The investigation and repair recommendation was deficient in the following ways:

1. Investigating the strength of an existing commercial building of this size should have started with a field survey. There were no ceiling or wall coverings in the portion of the warehouse along the offset. A walk-through inspection of the building would have revealed:
  - a. The roof was an EPDM loose laid system with 10 pound per square foot ballast. The implications of ballast on the roof alone would have been a red flag according to Mr. Anastasi, the design engineer from O'Donnell, Naccarato & MacIntosh. The 10 pound ballast reduced the available joist capacity for snow loads considerably. The roof hatch makes the discovery of ballast quite easy.
  - b. The drawings received from East Coast indicate a cluster of six flange braces at each column. The two located directly over the columns were missing and the stiffeners were not aligned for column continuity. This defect was easily discoverable.
  - c. The first joist is spaced at 4'-9". The remainder of the roof has a joist spacing of 5'-0", not 4'-9" as indicated on the drift calculations.
2. The O'Donnell, Naccarato & MacIntosh proposal included two site visits to the new building. Had these visits been executed with an examination of the work in the existing building, the

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inadequacy of the repair would have been realized.

3. Rather than survey the building the engineers relied on the erection contractor to verify the information on the Varco drawings, not someone from their office familiar with the engineering issues related to the snow drift analysis.
4. The snow drift calculation for the 1995 building was flawed in that low side of the roof was used for the drift height. Using the offset height of 5 feet rather than 3 feet results in a considerably heavier and wider drift. Also, the use of a scour reach of 200 rather than 500 and considering this a parapet configuration indicates an unfamiliarity with the intent of the code on the part of the designer.
5. The recommended repair stopped at the end of the roof offset even though it is logical that the drift would continue into the next bay. The repair should have extended for another bay to support the extended drift.
6. The roof rafters were not part of the O'Donnell, Naccarato & MacIntosh roof strength analysis. By including the rafters the bracing defect would have been discovered.
7. It is normal practice for a licenced engineer to review the work of an unlicenced employee, including at least the design criteria used in the calculation. O'Donnell, Naccarato & MacIntosh's own calculation sheets have initial space for "calculated by" and "checked by" at the top.
8. A structural review and repair recommendation for a commercial building of this size should have been signed and sealed as a part of a permit set for the review by the local

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building official. Requesting the back-up calculation may have resulted in the discovery of the deficiency of the repair.

9. Consideration of the flow of water toward the snow drifting area and the weight of the water filled drain pipe was not considered.
10. Rather than installing one line of light gage purlins, a more appropriate repair for the roof would be installing new joists or equivalent steel beams between the first three joists. This would double the strength of the roof under the drift area and would cut the metal deck span in half.

A more thorough investigation and analysis and providing the Code Official with the proposed repair would have prevented collapse under the drifted snow. A series of errors and overlooked aspects of the roof review cumulatively led to inadequate roof support at the drift. Defects in the building allowed a local collapse to progress across the roof.

9. Post Collapse Review of the Roof

I have reviewed the post collapse calculations and have the following comments.

1. It would be most logical to use the worst condition when reviewing the roof even in a bay by bay analysis. The worst case would be the 5 foot depth at the south end of the offset.

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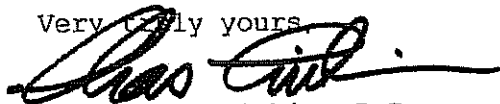
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2. Each of the O'Donnell, Naccarato & MacIntosh analyses indicate that the joists were overloaded in the drift area and repairs to the roof were required as indicated on Exhibit 6.
3. The rafters were not included in the O'Donnell, Naccarato & MacIntosh review.

These opinions were reached within a reasonable degree of engineering certainty. Since discovery is continuing, these opinions are preliminary. If you have any questions or require additional information please feel free to contact our office.

Very truly yours,



Charles N. Timbie, P.E.  
Structural Engineer

Exhibits:

1. 1996 BOCA snow excerpt
2. Varco S-26 of 39 and S-5 of 39
3. Varco load certification
4. ONM snow drift calculations
5. Calculation comparison chart
6. ONM roof repair sketch
7. MBMA snow load table
8. SMI Joist calculation sheet fo K8 and K16
9. SJI Load table
10. Photographs

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